



DEPARTMENT OF HUMAN SERVICES
SENIOR & DISABLED SERVICES DIVISION
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AUTHORIZED BY: _____
SDSD Administrator/Deputy

EXECUTIVE LETTER

SDSD-EL-00-05

Date: January 25, 2000

TO: SDSD District and Unit Managers
Area Agency on Aging Directors

SUBJECT: Personal Incidental Fund (PIF) Responsibilities for RCF's, ALF's, and AFH's

ADMINISTRATIVE RULE REFERENCE:

Topic: Personal Incidental Funds in RCF's, ALF's, and AFH's

Rule Number: 411-027-0200

Filing Instructions: File with Executive Letters

PURPOSE:

- ☒ Transmits new or amended Administrative Rule;
- ☐ Interprets Administrative Rule;
- ☐ Establishes procedures related to Administrative Rule;
- ☐ Replaces existing procedures or interpretation;
- ☐ Deletes Administrative Rule.

EFFECTIVE DATE: February 1, 2000

EXPIRATION DATE: N/A

SENT FOR COMMENTS TO DIRECTORS AND MANAGERS: N/A

CONTACT PERSON: Julia Huddleston (Julia.A.Huddleston@state.or.us) for rule issues

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DISCUSSION: Effective February 1, 2000, all RCF, ALF, and AFH providers who accept Medicaid clients, must observe the attached rule provisions in handling and managing a Medicaid resident's personal incidental funds (PIF). The rule provisions identify specific responsibilities that providers must assume in handling Medicaid resident PIF funds and delineates the process that must be followed in accounting for the funds. Please note that the resident may manage their own PIF funds, but that the provider **MUST** assume responsibility for handling the resident's PIF funds, upon written authorization of the resident or their representative. PIF funds being held by the provider in excess of \$150, must be maintained in an interest bearing account for the security of the resident. Upon the death of a Medicaid resident, with no surviving spouse, the provider must forward all PIF funds being held to the Estate Administration Unit.

A copy of the rules are attached for your immediate information. An update to the SDSD Services Policy Manual will be forthcoming to transmit these and other recent rulemaking actions.

LOCAL ACTION REQUIRED: Train staff on the provisions of the rule.

CENTRAL OFFICE ACTION REQUIRED: Provide technical assistance as needed.

TRAINING EXPECTATIONS: Familiarize staff on the new PIF provisions.

**DEPARTMENT OF HUMAN RESOURCES
SENIOR AND DISABLED SERVICES DIVISION**

OREGON ADMINISTRATIVE RULES
Chapter 411, Division 027

PAYMENT LIMITATIONS

Newly Adopted Rule Effective February 1, 2000

**411-027-0200 Personal Incidental Funds in Residential Care Facilities,
Assisted Living Facilities and Adult Foster Homes**

- (1) Each Medicaid and General Assistance resident is allowed a monthly amount for personal incidental needs. Personal incidental funds include monthly allotments as well as previously accumulated resident savings. (The present Medicaid resource limit, to maintain eligibility, is \$2,000.)
- (2) The resident may manage his/her personal incidental funds or authorize the facility or another person to manage them unless that resident has been judged to be incompetent. A resident who was not adjudicated incompetent may always decide how to spend his/her own funds.
 - (A) The facility shall keep any funds received from a resident for holding, safeguarding and accounting separate from the facility's funds;
 - (B) The provider shall not under any circumstances commingle, borrow from, or pledge any funds of a resident.
 - (C) The facility must, upon written authorization of the resident, or representative acting on behalf of the resident accept responsibility for holding, safeguarding, spending, and accounting for these funds.
 - (D) Form SDS 542, Designation of Management of Personal Incidental Funds, must be completed by the resident, or representative acting on behalf of the resident, to delegate responsibility to the facility to manage the funds. The facility administrator or his/her delegee must sign the form to acknowledge responsibility for managing the resident's funds. When a facility is a resident's representative payee, it must fulfill its duties as representative payee in accordance with applicable federal regulations and state regulations which define those

duties;

- (E) The facility shall retain the original Form SDS 542 and copies shall be provided to the resident and SDSD/AAA casemanager.
- (3) The resident or their representative may, at any time, choose to terminate the facility's responsibility for managing the personal incidental funds.
 - (A) A dated, written request for the facility to relinquish responsibility should be submitted by the resident/representative to the facility.
 - (B) The total resident personal incidental funds shall be provided to the resident/representative within one day of the request, excluding weekends and holidays.
 - (C) The facility shall retain the original written request and copies shall be provided to the resident and SDSD/AAA casemanager.
- (4) All requests to access personal incidental funds must be acted upon by the facility within one day of the request, excluding weekends and holidays.
 - (A) Form SDS 713, Resident Account Record, must be completed by the facility for all personal incidental fund disbursements and/or deposits. The form shall be initialed by the facility staff person making the entry. The resident account record shall show in detail with supporting documentation, all monies received on behalf of the resident and the disposition of all funds so received. Persons shopping for residents shall provide a list showing description and price of items purchased, along with payment receipts for these items.
 - (B) The facility shall retain the original Form SDS 713 and copies shall be provided to the resident and SDSD/AAA casemanager on a quarterly basis.
- (5) Funds over \$150 shall be maintained in the residents' own interest-bearing account or in an interest bearing account with a system that credits the appropriate interest specifically to each resident.
- (6) Personal incidental funds may not be used to pay for services, supplies, and/or equipment that the facility is responsible for providing. Notwithstanding section (4) of this rule, prior to the disbursement of personal incidental funds, the facility shall make a reasonable effort to

determine if reimbursement from another source is available to pay for a specific resident need.

- (7) The facility shall not charge the resident for holding, disbursing, safeguarding, accounting for, or purchasing from personal incidental funds nor shall the cost for items charged to personal incidental funds be more than the actual purchase price charged by an unrelated supplier.
- (8) The facility must be insured to cover all amounts of personal incidental funds being handled by the facility.
- (9) When a facility is handling the personal incidental funds and receives notification from the resident/representative that the resident is leaving the facility, the total resident personal incidental funds shall be provided to the resident/representative within one day of the notification, excluding weekends and holidays, or any day thereafter as requested by the resident, prior to the resident's final day at the facility.
- (10) Upon the death of a Medicaid or General Assistance resident, with no known surviving spouse, any personal incidental funds held by the facility for the resident shall be forwarded to the Senior and Disabled Services Division, Estate Administration Unit, P.O. Box 14021, Salem, Or 97309, within 10 business days of the death of the resident.

Statutory Authority: ORS 410.070

Statutes Implemented: ORS 410.070